

House, John

From: Reynolds, Randy S
Sent: Thursday, September 18, 2003 2:03 PM
To: Lee, Lorraine; 'Nakamura, Kent (ATG)'
Cc: Garza, Rick J
Subject: RE: Oregon

Lorraine's right. Unless put someplace else in WAC, the deletion of 66.28.180 would allow quantity discounts on beer and wine which could lead to large disparities in prices between a small business and large chains.

-----Original Message-----

From: Lee, Lorraine
Sent: Thursday, September 18, 2003 1:33 PM
To: 'Nakamura, Kent (ATG)'
Cc: Reynolds, Randy S; Garza, Rick J
Subject: RE: Oregon

It's certainly worth considering. But it will not be as efficient as the current system. More importantly, it's the bigger picture consequences of marketplace changes (retail prices, greater availability, disparity between small business & large chains) that the current system prevents. -----Original Message-----

From: Nakamura, Kent (ATG) [mailto:KentN@ATG.WA.GOV]
Sent: Thursday, September 18, 2003 1:16 PM
To: Lee, Lorraine
Subject: RE: Oregon

Is Oregon's practice an acceptable alternative practice here, as we mull through this stuff?

-----Original Message-----

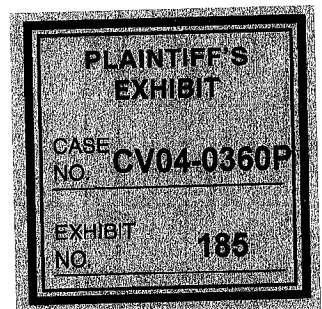
From: Lee, Lorraine [mailto:LLEE@LIQ.WA.GOV]
Sent: Wednesday, September 17, 2003 2:29 PM
To: Nakamura, Kent (ATG)
Cc: Garza, Rick; Reynolds, Randy S
Subject: Oregon

Kent,

Randy just spoke to staff at the Oregon Liquor Control Commission and asked what happened to its price posting system. Oregon eliminated it as a result of the litigation they faced. Don't know the year.

OLCC's current price control mechanism is the requirement on suppliers and wholesalers to maintain records for 2 years, showing the sale from (1) supplier to wholesaler, and (2) wholesaler to retailer. There's no minimum price markup

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requirement for anyone; buyers (wholesalers and retailers) are only required to sell at cost or higher. To enforce, OLCC audit their records.

Our LCB auditors and MIW agents do have the authority to audit licensees' records. The auditors (in the Financial Division) check more routinely than our MIW agents.

Lorraine

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10/11/2004